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Kiu Hung International Holdings Limited
僑雄國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00381)

**VARIATION TO TERMS OF PROMISSORY NOTE ISSUED
FOR SETTLEMENT OF CASH CONSIDERATION IN RELATION TO
THE ACQUISITION OF LUCKY DRAGON**

Reference is made to the circular (the “**Circular**”) of the Company dated 31 January 2008 in relation to the very substantial acquisition and connected transaction in relation to further acquisition of coal business and the announcement of the Company dated 26 March 2008 in relation to the issue of promissory note (the “**Promissory Note**”) for settlement of cash consideration in relation to the Acquisition. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular unless otherwise specified herein.

VARIATION TO TERMS OF PROMISSORY NOTE

Pursuant to the terms of the Promissory Note in the sum of HK\$95,415,633 issued by the Company to the Vendor on 28 March 2008, the Promissory Note shall be repaid by the Company to the Vendor on or before 28 September 2008. In order to facilitate the procurement of the necessary financing by the Company for the repayment of the Promissory Note, the Company and the Vendor has agreed on 22 April 2008 that the repayment date of the Promissory Note will be extended to 28 September 2009 subject to the condition that the Company shall before 28 September 2008, satisfied the Vendor that the Company does not or will not have sufficient funds to settle the Promissory Note by 28 September 2008. In addition, notwithstanding the extension of the repayment date of the Promissory Note, the Company shall use its best endeavors (i) to apply its available funds to pay the Vendor the principal sum of the Promissory Note at its first priority and (ii) to pay the Vendor the principal sum of the Promissory Note in full or in part as soon as possible once the Company has sufficient funds to do so. The Directors consider the variation to the terms of the Promissory Note to be fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

Grand Cathay has confirmed that their opinion as stated in their letter dated 31 January 2008 as disclosed in the Circular will not be affected by the extension of the repayment date of the Promissory Note. In addition, after obtaining a legal opinion from its legal advisers, the Directors are of the opinion that the extension of the repayment date of the Promissory Note is within the scope of the shareholders' resolution (the "Resolution") approved at the EGM held on 18 February 2008. Pursuant to the Resolution, the Directors are authorised to do all such acts and things which they consider necessary in their opinion to give effect to the Acquisition Agreement and the transactions contemplated thereunder. As the Directors consider that the extension of the repayment date of the Promissory Note is necessary in their opinion to give effect to the Acquisition Agreement and the transactions contemplated thereunder, the extension of the repayment date of the Promissory Note is within the scope of the Resolution.

The Directors are of the view that the variation to the terms of the Promissory Note is not of a price sensitive nature and does not constitute a notifiable transaction for the Company under the provision of Chapter 14 of the Listing Rules.

By Order of the Board
Kiu Hung International Holdings Limited
Hui Kee Fung
Chairman

Hong Kong, 24 April 2008

As at the date of this announcement, the Board comprises three executive Directors, Mr. Hui Kee Fung, Mr. Hui Ki Yau, Madam Hui Hung Tan, Teresa and three independent non-executive Directors, Mr. Peng Guanghui, Mr. Kung King Ching, Conrad and Mr. Tang Rongzu.